



## Office of the Secretary of Technology

# Enterprise Solutions Group ~ An Implementation Update



**The Honorable Aneesh P. Chopra**  
Secretary of Technology

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12/15/06



## Office of the Secretary of Technology

### Agenda for Discussion

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*I. Re-Visiting the Efficiency Imperative*

*II. Launching the Enterprise Solutions Group*

*III. Coda*



## Office of the Secretary of Technology

*Re-Visiting the Efficiency Imperative*

### Focused Strategy to Spur Government Productivity Growth

#### Our Purpose *Elevating Performance*



- Enable agency initiatives to lower costs



- Increase competency of state leaders to manage improvement projects



- Identify cross-agency initiatives that could reduce costs and improve constituent access

#### Our Approach *Enterprise Solutions Group*

##### Mission

- Simplify government

##### Staff

- 2-3 Professionals
- 20-50 high-performing agency “Fellows” dedicating **15-20%** to ESG initiatives

##### Goals

- Reduce constituent transaction time
- Lower government operating costs
- Advance Governor’s key agency performance objectives

#### **COVF Funding in Brief**

In FY 2007-8, Governor and GA directed **\$4.25M** towards three priorities – **enterprise re-engineering**, **agency re-engineering**, and **results teams**; goal to surface cost savings projects and begin to shift operating culture towards continuous performance improvement

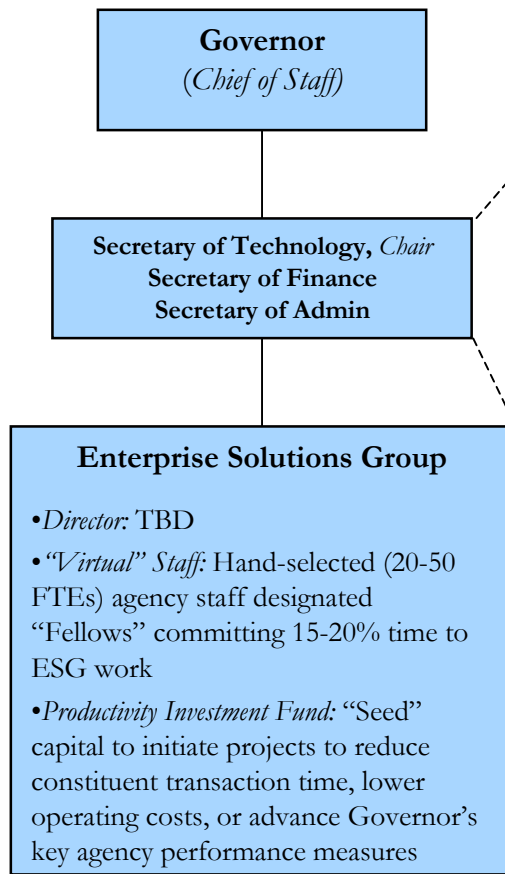


## Office of the Secretary of Technology

### *Governance*

### Assembling the Commonwealth's Performance Improvement Leaders

#### Organizational Structure



#### Enterprise Solutions Group

##### *Governance*



##### **Board Composition**

Secretary of Technology, *Chair*  
Secretary of Finance  
Secretary of Administration

**Purpose:** Advise on project portfolio to ensure a balanced approach to “home runs” and “quick wins”; alignment with Council on Virginia’s Future long-term objectives, governor’s priorities, and agency-specific performance measures



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*Lessons from Top Performers*

### **A Structured Approach to Sustainable, Continuous Change**

Simplify Government		
1 Ideas	2 Implementation	3 Enfranchisement
<ul style="list-style-type: none"><li>•Uncover internally-led creative solutions</li><li>•Surface emerging ideas through private sector partners</li></ul> <p><b>Examples</b></p> <p>Build an agency branch office at 30% lower operating costs engineered to serve more customers per hour</p>	<ul style="list-style-type: none"><li>•Establish a common language and methodology for consistent performance</li><li>•Invest in training programs to support implementation</li></ul> <p><b>Examples</b></p> <p>Standardize “change management” tools distributed through “train the trainer” methodology</p>	<ul style="list-style-type: none"><li>•Build the organizational will for change</li><li>•Modify public policy to encourage agency leadership by sharing savings</li></ul> <p><b>Examples</b></p> <p>Allow agencies (and/or individuals) to share in any verifiable savings achieved through program</p>



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*Enfranchisement ~ Accountability and Incentives*

### Enfranchising Agency Executives in Productivity Initiative

#### Hardwiring Accountability *Management Scorecard*

**Best Practice:** Governor Kaine has adopted an existing best practice – the management scorecard for agency heads

Legend:

- M Meets Expectations
- Y Progress Toward Expectations
- B Below Expectations
- U Results Unavailable/Not Measured at this Time

Click column headers to alphabetically sort agencies by name or by Secretariat.  
Click on a colored square to view the criteria for that category.

Agency Name	Secretariat	Human Resources Management	Government Procurement	Financial Management	Technology	Performance Management	Environmental & Historic Resource Stewardship
Board of Accountancy	Commerce and Trade	M	M	M	M	M	M
Commonwealth's Attorneys' Services Council	Public Safety	M	M	M	M	M	M
Compensation Board	Administration	M	M	M	M	M	M
Comprehensive Services for At-Risk Youth and Families	Health & Human Resources	M	M	M	M	M	M
Council on Human Rights	Administration	M	M	M	M	M	M
Department for the Aging	Health & Human Resources	M	M	M	M	M	M
Department for the Blind and Vision Impaired	Health & Human Resources	M	M	M	M	M	M

**Outcomes:** a key revision for Governor Kaine's scorecard is a focus on achieving performance measures

#### Aligning Incentives *Productivity Investment Fund*



#### Proposal In Brief

**Summary:** Create a financing vehicle that allows agency gainsharing on verified savings achieved through re-engineering initiatives (scored by DPB, Comptroller, Auditor)

**Purpose:** Encourage agencies to actively pursue productivity investments

**Initial Capital:** \$3M "Productivity Investment Fund"

**Governance:** The Fund shall be overseen by the **Enterprise Solutions Group** and ex-officio members including the Directors of **DPB, DHRM**, and the **CIO**





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*Implementation ~ Typical Results Team*

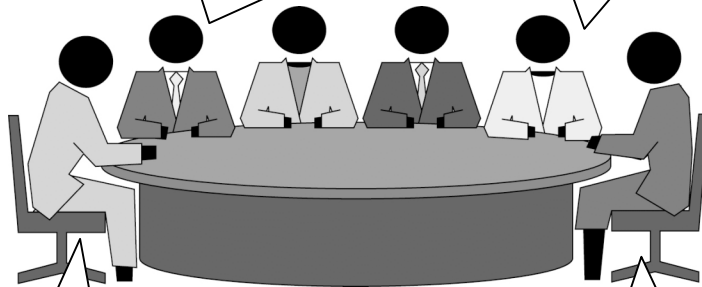
### Assembling the Commonwealth's Performance Improvement Leaders

#### Results Teams

*Typical Membership Composition*

**Agency Leadership:** Under the supervision of the agency head, **FTE(s)** assigned to oversee team

**ESG:** One **FTE** assigned support analyst role



**Private Sector:**  
Volunteers from leading high-productive firms participate in team brainstorming, offer guidance, tools

**Fellows:** Staff drawn from selected pool of **50** fellows (high potential agency employees); goal to encourage cross-agency creativity, leadership development

#### Change Management

*Training Methodology*

- **Goal:** Help ID and develop future leaders; enhance capacity for agency-driven change
- **“HIPO” Program:** Outline the requirements of a ‘next generation leadership’ development model (with **DHRM & VEI**)
- **Best Practices Library:** Gather materials for ‘train-do’ programs and outline schedules:
  - Problem solving, analytics, and project management
  - Lean/Six Sigma
- **Pilots:** identify high-potential candidates:
  - Continuous process improvement (Lean/Sigma)
  - IT solutions
  - Strategic change projects
- **Training:** Conduct orientation and follow-on training rounds:
  - Assign project teams and mentors
  - Evaluate training and assess trainee progress

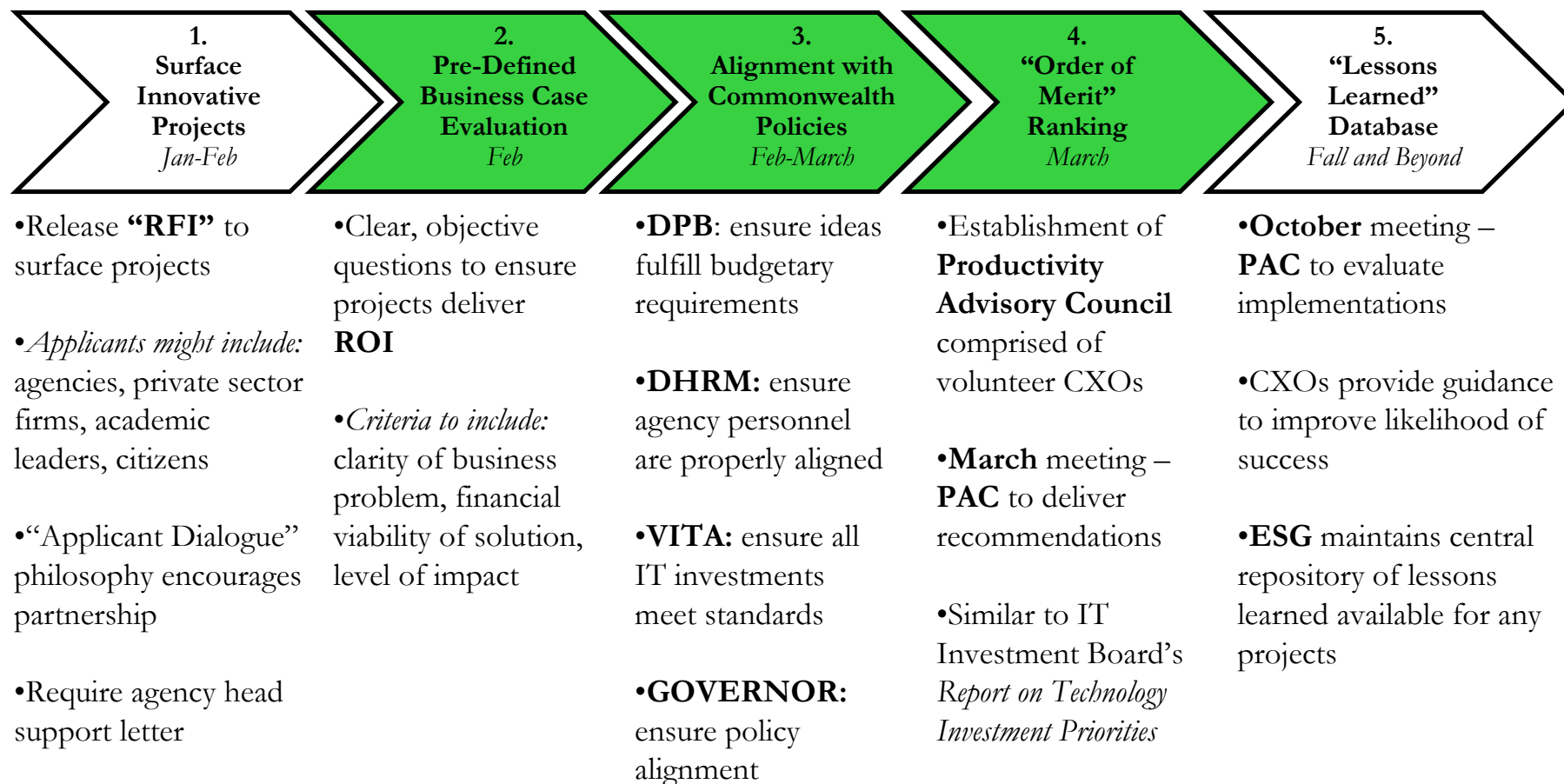


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*Agency Re-Engineering ~ Productivity Investment Fund*

### A Structured Public-Private Approach to Ensure Results

#### Timeline to Surface, Select Productivity Projects



*Abbreviations:* “RFI” – Request for Information; “ROI” – Return on Investment; “DPB: Department of Planning and Budget; “DHRM” – Department of Human Resources; “VITA” – Virginia IT Authority; “CXO” – Senior Executive



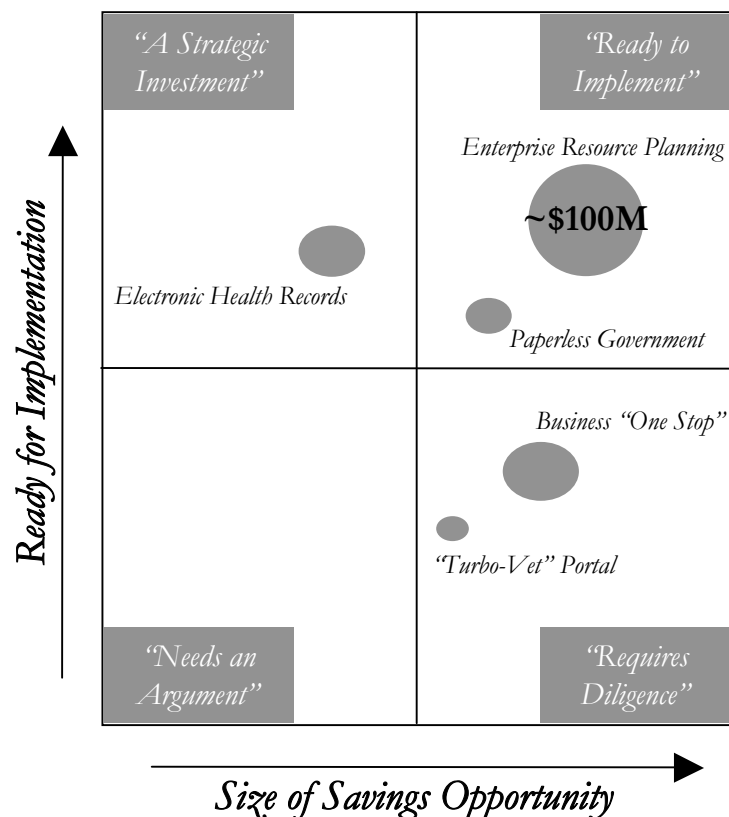


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*Enterprise Re-Engineering ~ Investing in the "Business Case"*

### A "Long Gravel Road" to Implement Enterprise Initiatives

Mapping Enterprise Priorities  
*By Size of Implementation Cost*



● Denotes Size of Investment Cost at Full Implementation

Driving Value Through Collaboration  
*Case Study ~ Electronic Health Records*



#### Implementation Plan

**Agency Participation:** Department of Medical Assistance Services, Department of Health, Department of Mental Health, Department of Corrections, Department of Education, Department of Veterans Services, University of Virginia Health System, VCU Health System

**Purpose:** Pursue "Enterprise-wide" contract for multiple EMR vendors that ensures data interoperability, secures IT contract savings, and facilitates health cost savings

**Enterprise Cost:** \$~50K for multi-agency requirements

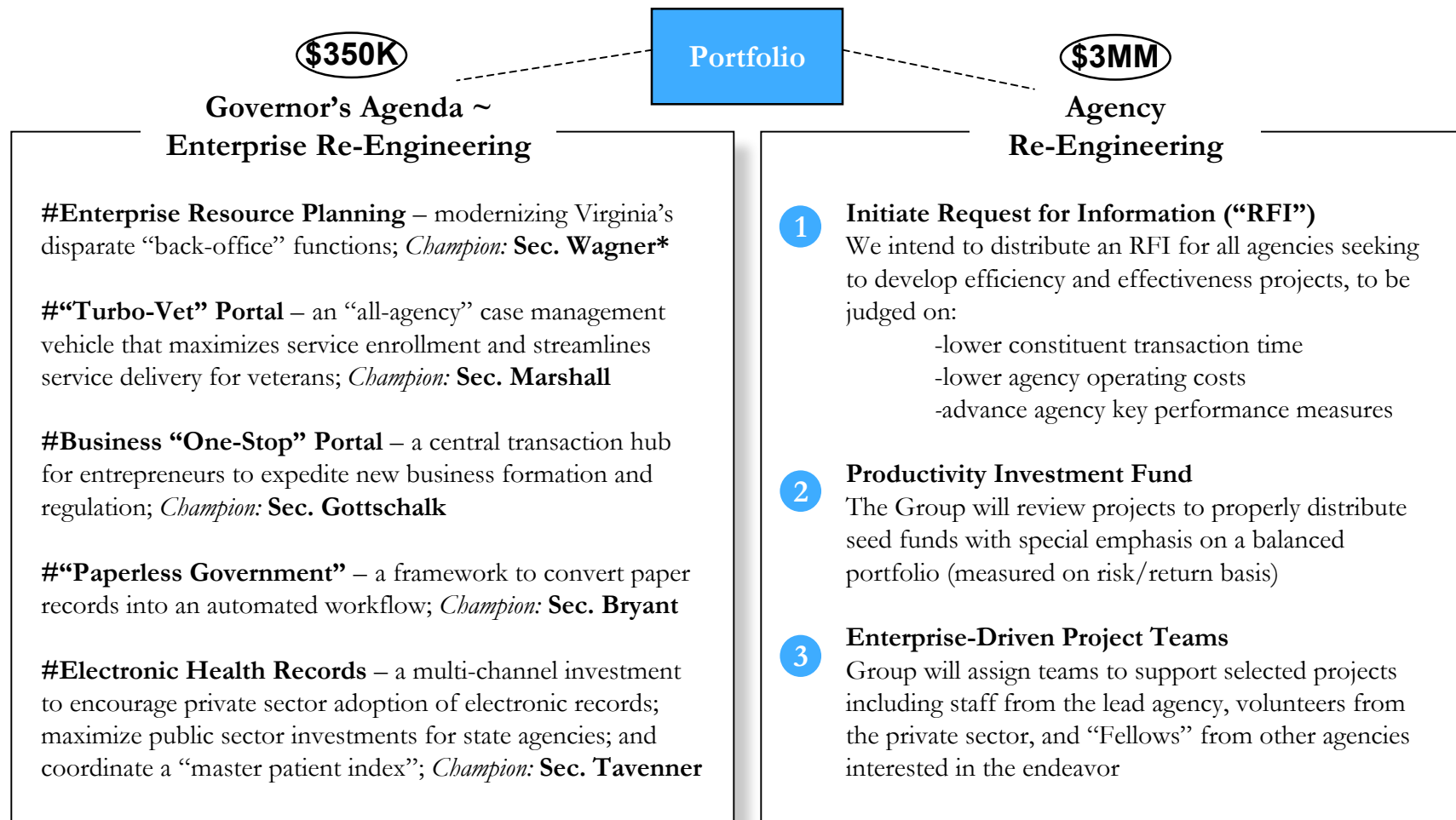
**Agency Cost:** ~\$10-20M based on Agency procurement needs, timeline (~2,000 state MDs @ \$10K per MD)



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*Ideas ~ Initial Project Portfolio*

### **“Seed” Capital to Narrow (Significant) Implementation Targets**



*\*Separately funded and project launched*



## Office of the Secretary of Technology

*Putting it Altogether*

### A Virginia Exemplar Engages Constituents in Electronic Permitting

#### A History of Innovation



**Budget Constraints:** DMME maintains service growth despite **21%** cut in FTEs since 1985

**Executive Commitment to Reform:** Agency leadership engage **40%** of FTEs in strategic planning process and invest **38.6** training hours per FTE

**A National Model:** DMME has earned the prestigious **US Senate Productivity & Quality Award** (1997, 2002) – akin to the Baldrige Award for quality

**COVF Innovation:** Replicate coal industry success for mineral mine operators leveraging **\$87,200** grant

#### Alignment with Strategic Plan

- Plan: encourage economic development through customer's management of Virginia's resources; goal to support efficient operations

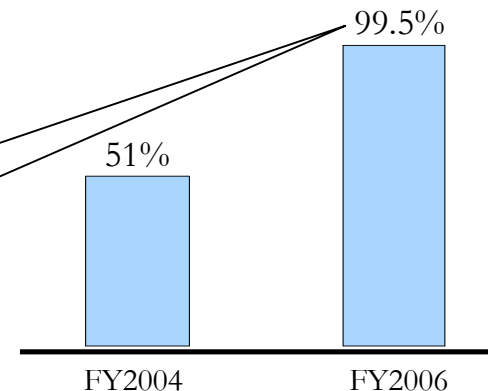
#### Customer-Driven Innovation

- DMME staff apply for productivity grant; immediately seek input from the mineral mining industry as a way to improve services and reduce the costs of regulatory compliance

#### Target Results

Permit costs **15%** lower than next best state (OH)\*

#### Coal Industry Permits % Submitted Online



\*savings represent 500-acre Coal Surface Mining Permit (\$85k in VA; \$100k in OH, \$200k in W. Va)



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*Coda ~ Recovering a Lost Trust Through Improved Change Management*

### **Success Measured by Greater Partnership on Government Operations**

**General Assembly:** "There must be savings opportunities but I don't believe the agencies are pushing hard enough to get them."



**Agency Heads:** "What incentive do I have to cut costs? Success likely means a cut in my budget which jeopardizes our ability to serve our constituents."

**Citizens:** "Does government have to be this complicated?"

**Policy Office:** "How can we deliver services more efficiently to allow for additional investments?"